

## VOICES AROUND NEW ENGLAND

If the governor's proposal to lay off **1,000 state workers** sounds drastic, that's because it is.

Drastic times call for drastic measures. And these are nothing if not drastic times, with [Rhode Island] facing a \$450 million budget gap.

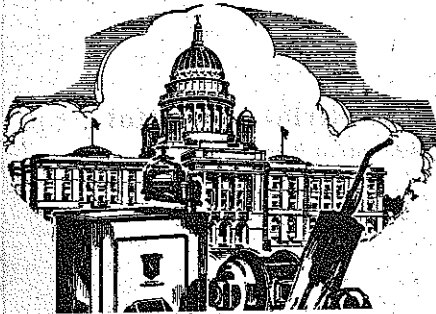
That's why Gov. Donald L. Carcieri has called for reducing the state's work force of more than 15,000 employees by 1,000, along with several other proposals that would achieve short- and long-term savings.

The House Finance Committee, on the other hand, approved a proposed \$7 billion budget that would raise taxes and reduce spending on personnel by millions of dollars, without recommending how those savings should be made. . . .

Without specific savings proposals from the legislature, and with nothing constructive offered by the unions that represent state workers, we have little choice but to support the governor's efforts.

Every year, there's a hole in the budget, and the state is running out of gimmicks to plug it.

In the past, the state has used tobacco



settlement money and increased the percentage of revenues it receives from the gambling parlors to balance the budget. This year, gambling revenue is down and the House proposes to use more tobacco settlement funds. As we have said repeatedly, reliance on gambling and tobacco revenues does not make for a fiscally healthy state.

The General Assembly faces a difficult choice: Balance the budget on the back of taxpayers, or on the backs of state workers.

State employees may feel they are being targeted unfairly, but given the generous salaries and benefits they receive, it shouldn't come as a total surprise.

Next year, the benefit cost for an average state employee — making \$58,148 per year — will be \$51,186, making the total compensation for an average state employee \$109,334, according to the governor. Benefits include pension, health care, FICA, vacation time, sick time and paid holidays.

The benefit package for the average state worker is \$34,000 more than the av-

erage employee in the private sector, Carcieri said; meanwhile, the average salary in Rhode Island is about \$37,000.

Even union leaders would have to be blind not to see that disparity.

One of Carcieri's proposals does raise a red flag: He would "put out to competitive bid every state service that could possibly be performed more efficiently by the private sector." While privatization has been proven to work in some instances, the current investigation into state Department of Transportation contracts does not instill confidence in the state's ability to do so successfully.

Carcieri also proposes renegotiating health-care co-payments for state employees and freezing wages at their current levels. Whether that actually can happen without the unions' cooperation remains to be seen.

But just as local councils and school committees are having to negotiate more contributions from their employees, the state has to take steps to move its employees more in line with the private sector. If the unions are unwilling to make such changes — and since they haven't offered any compromise or sacrifice of their own — they face the prospect of layoffs. . . . [I]t is painfully obvious that something has to give.

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